samriddhi
Investment Fund

IPO Analysis

MilkyMist

One of India's fastest-growing packaged food companies

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IPO Snapshot

Offer Details

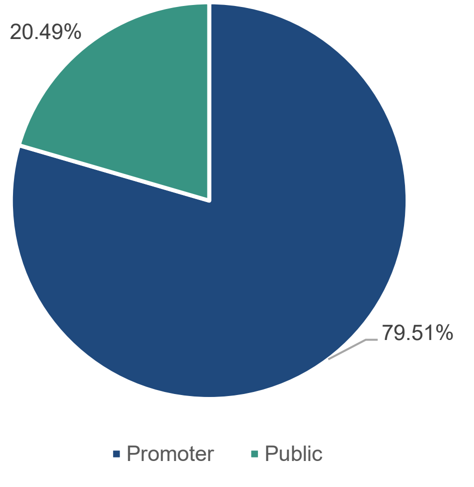
- The total size of the IPO for Milky Mist is **₹15,530 Million**
- The IPO has fresh issue aggregating up to **₹14,280 Million**
- Issue of 'Offer for Sale' up to **89,28,571** shares by existing shareholders aggregating to **₹1,250 Million**
- The company has set the price band for the issue at ***₹133 - ₹140 per share***
- Book runner lead managers include JM Financial, Axis Capital and IIFL Capital Services

Key Highlights

- **Milky Mist:** Incorporated in July 2014, Milky Mist Dairy Food Limited is one of India's fastest-growing packaged food companies focused on premium value-added dairy products. The company manufactures and markets a diversified portfolio including cheese, paneer, butter, curd, ghee, yogurt, ice cream, UHT products, frozen foods, ready-to-eat (RTE), ready-to-cook (RTC) foods, and chocolates under its flagship brand 'Milky Mist' and sub-brands such as SmartChef, Capella, Misty Lite, Briyas, and Asal.
- The company operates an integrated farm-to-consumer business model, directly sourcing milk from 74,654 farmers and processing it through advanced automated manufacturing facilities
- Supported by its own cold-chain logistics network it has a distribution of 4,001 distributors in 22 states + 5 union territories with 375,000+ retail touchpoints. It also has 144 exclusive parlours, 15,062 visi coolers and 25,824 ice cream freezers.
- Largest private packaged paneer brand nationally (~19.0% share, FY26); largest private packaged cheese brand in South India (~12%; 3rd nationally ~5%); top-2 packaged yogurt brand (~13%); ~35–40% share in organized Greek yogurt
- Net proceeds earmarked for debt repayment of ₹4,968.61 Mn, Perundurai facility expansion and modernization for ₹4,692.40 Mn. Deployment of visi coolers and freezers for ₹1,553.13 Mn and rest for general corporate purposes

Opening Date	11th Aug 2026
Closing Date	13th Aug 2026
Market Lot	107
Listing on	NSE, BSE
Price Band	₹133 – ₹140
Listing Date	18th Aug 2026

Exhibit 1: Share Holding Pattern (Post-Offer)



Source: Milky Mist RHP

Particulars	31st March 2026	31st March 2025	31st March 2024
Revenue from operations (INR Mn)	31,383	23,495	18,216
Profit/(Loss) for the year (INR Mn)	1,270	460	194
EBITDA (INR Mn)	4,352	3,103	2,223
EBITDA Margin (%)	13.87%	13.21%	12.21%
Net Asset Value Per Share (INR)	5.87	3.78	3.07
Return on Net Worth (%)	33.60%	18.98%	9.87%
Gross Profit Margin	32.97%	33.89%	31.21%
Return on Capital Employed	11.73%	9.54%	8.14%

Source: Milky Mist RHP

Industry Overview

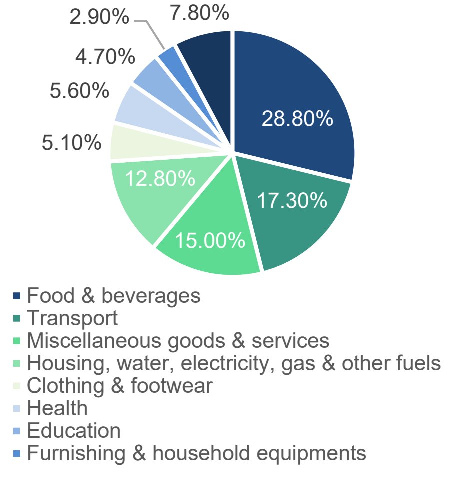
The global real GDP is expected to rise at a CAGR of ~3.2% from CY25-30, while India is expected to be the fastest growing economy with a growth rate of 6.5% from CY25-30. Global real GDP in CY25 increased by 3.4%, despite challenges such as higher interest rates, tighter financial conditions, and geopolitical tensions, whereas India is expected to sustain the highest growth rate, with its real GDP year-on-year growth rate at 7.6% in CY25, expected to grow at 6.5% till CY30. By CY30, India is expected to be fourth largest economy due to rapid GDP growth, strong domestic consumption & robust growth in various sectors. India's nominal GDP (at current prices) grew from US$ 2.8T to US$ 3.9T between CY19 and CY25 on the back of robust reforms like GST, corporate tax revision, and revised FDI limits. It is further estimated to reach US$ 6.2T by CY30 with 9.5% CAGR from CY25-30 due to increased government and consumer spending. Major contributors for this growth are:

- India's middle class households are expected to reach 208M (58.3%) by FY31, from 173M (54.3%) in FY26.
- India's consumer spending is expected to surge from US$ 2.6T in CY25 to US$ 4.3T by CY30
- India's urban population share is set to rise from 35.7% in CY25 to 37.2% in CY30
- FDI inflows, supported by initiatives like 'Make in India', has boosted nominal GDP from US$ 2.0T in CY14 to US$ 3.9T in CY25

Private Final Consumption

As per World Bank Group, India's households final consumption expenditure accounts for 61.4% in CY24 of its GDP, reflecting the significant role of domestic consumption in driving economic growth. This is comparable to the UK (60.4%, CY23) and the US (68.4%, CY22), where consumption-led economies dominate. India's PFCE also exceeds the global average of 55.2% (CY22), underscoring its strong consumption-driven economy amidst rising disposable incomes and a growing middle class, and a higher workforce population. In FY24, foods & beverages accounted for 28.8% of the total PFCE due to strong demand for food items Transport accounted for a significant 17.3%, housing, water, electricity, gas, and other fuels at 12.8%. Clothing & footwear and health account for 5.1% & 5.6% respectively.

Exhibit 2: Total Private Final Consumption

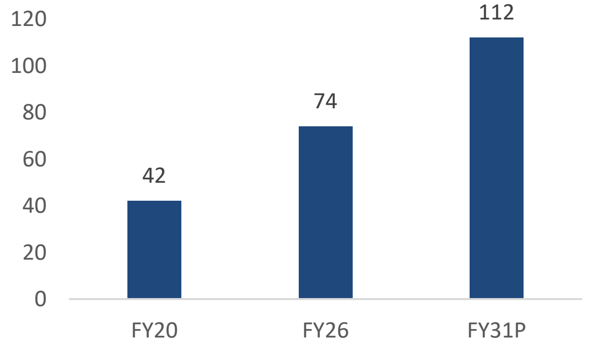


Source: Milky Mist RHP, 1Lattice analysis

Food and Beverage Market

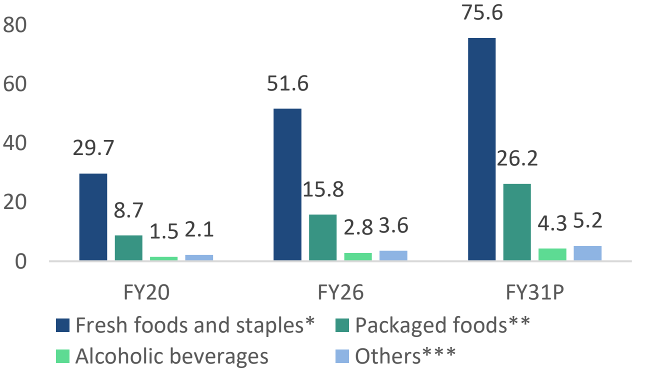
The F&B market is valued to be INR 74.0T in FY26 and is projected to reach INR 112T by FY31, growing at a CAGR of 8.6% between FY26-31. Packaged foods comprise of milk & value-added dairy products, chocolate & confectionery, snacks & sweets, baked goods & biscuits, RTE / RTC and non-alcoholic drinks. The Indian packaged food market stood at INR 15.8T in FY26 and is projected to grow at a CAGR of 10.6% between FY26-31, reaching INR 26.2T by FY31. This category is expected to be the fastest-growing segment

Exhibit 3: Food & Beverage Market Size (INR T)



Source: Milky Mist RHP, 1Lattice analysis

Exhibit 4: Food & Beverage Market Segment (INR T)



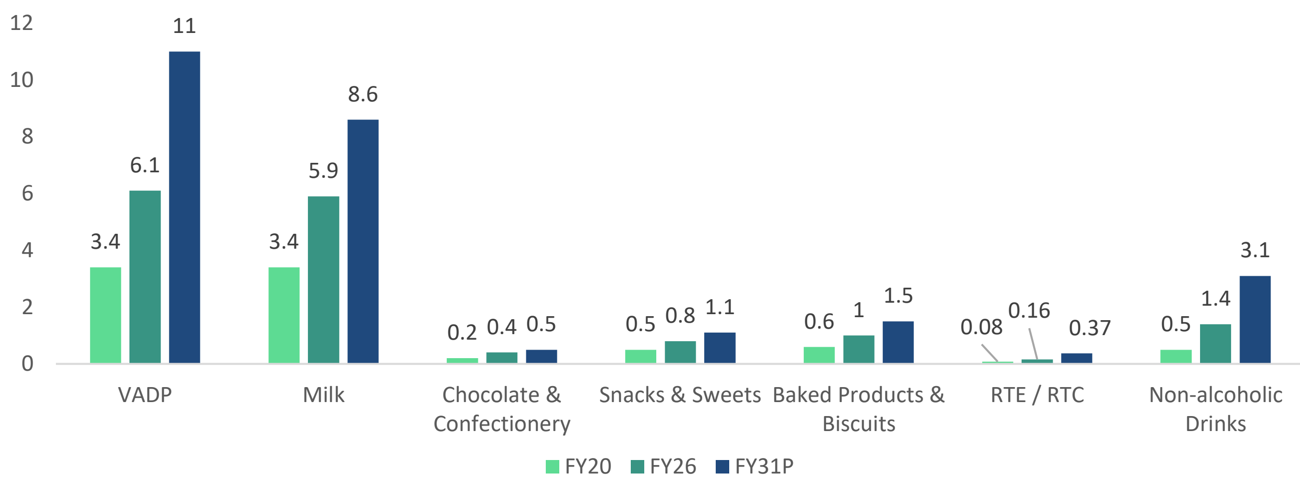
Source: Milky Mist RHP, 1Lattice analysis

Industry Overview

Packaged Food Market Segment

As of FY26, marketable milk and value-added dairy products (VADP) are valued at INR 5.9T and INR 6.1T respectively, together accounting for 76% of the overall packaged food market. Followed by non-alcoholic drinks (9%) and baked products & biscuits (7%). The RTE / RTC market is valued at INR 0.16T while the non-alcoholic drinks segment is valued at INR 1.4T in FY26, both the segments are projected to be the fastest-growing segments in the overall packaged food market with a CAGR of 17.2% each by FY31 due to a lower consumer base. VADP segment is expected to be among the fast-growing segments within packaged foods because of the rising disposable incomes & changing dietary preferences with a projected CAGR of 12.4%.

Exhibit 5 : Packaged Food Market Segment : India (INR T)

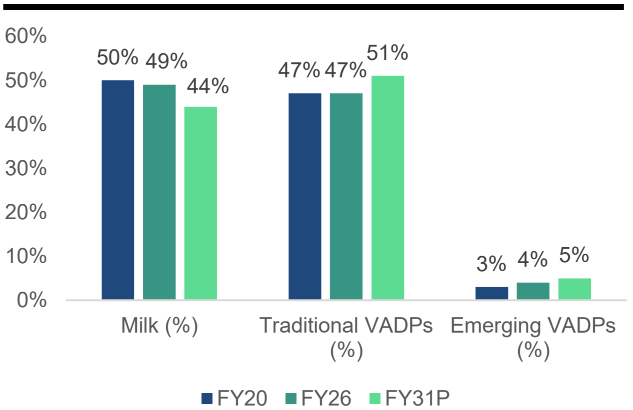


Source: Milky Mist RHP, 1Lattice analysis

Indian Dairy Market

The Indian dairy market is expected to reach INR 19.6T in FY31 growing at 10.3% CAGR from FY26-31 with liquid milk contributing ~44% and VADPs contributing ~56% to the overall market in FY31. In FY26, the Indian dairy market is valued at INR 12.0T and is growing at a CAGR of 10.3% to reach INR 19.6T in FY31. Liquid milk contributes ~49% of the overall dairy market by value in FY26, with total market estimated at INR 5.9T. In FY26, VADP contributed ~51% to the overall dairy market. In FY31, TVADPs are projected to account for ~51% of the total dairy market. EVADPs are also becoming more common in the Indian market. These products add nutritional or flavour enhancements to traditional dairy items. In FY31, EVADPs are projected to account for ~5% of the total dairy market Looking ahead, VADPs segment in the Indian dairy industry is projected to grow at 12.4% CAGR from FY26-31. TVADPs are projected to grow at 12.1% CAGR, while EVADPs are projected to grow at a 15.3% CAGR from FY26-31.

Exhibit 6 : Indian Dairy Market



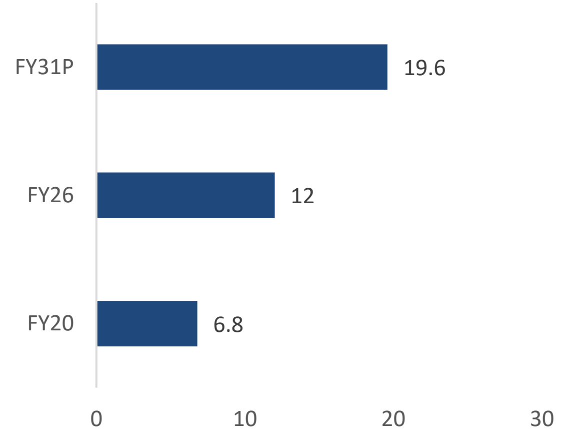
	Product	FY26 Organized share	CAGR FY26-FY31
TVADP	Paneer	5%	20.2%
TVADP	Curd	16.3%	18.6%
TVADP	Ice - Cream	76%	13.8%
TVADP	Buttermilk	26.1%	23%
TVADP	Ghee	25.4%	11.9%
EVADP	Cheese	100%	18%
EVADP	Yogurt	100%	17%
EVADP	Whey	100%	15%

Source: Milky Mist RHP, 1Lattice analysis

Indian Dairy Market

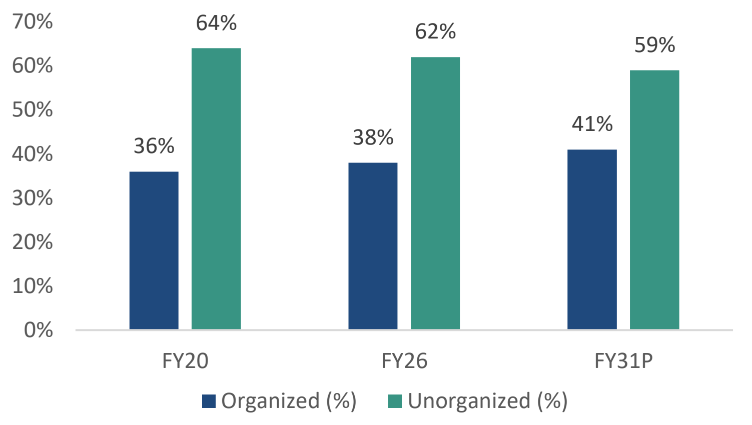
The Indian dairy market is valued at INR 12.0T in FY26, and is projected to grow at a CAGR of 10.3% from FY26-31. This growth has been driven by a 5-6% increase in volumes of milk produced and a 4-5% rise in price realizations of dairy market. Milk, which remains the backbone of the dairy industry, is complemented by various value-added products such as paneer, curd, cheese, butter, ghee, khoa, skimmed milk powder, milkshake, ice cream, yogurt, and whey, which are growing at much faster pace than milk.

Exhibit 7 : India Dairy Market Size (INR T)



Source: Milky Mist RHP, 1Lattice analysis

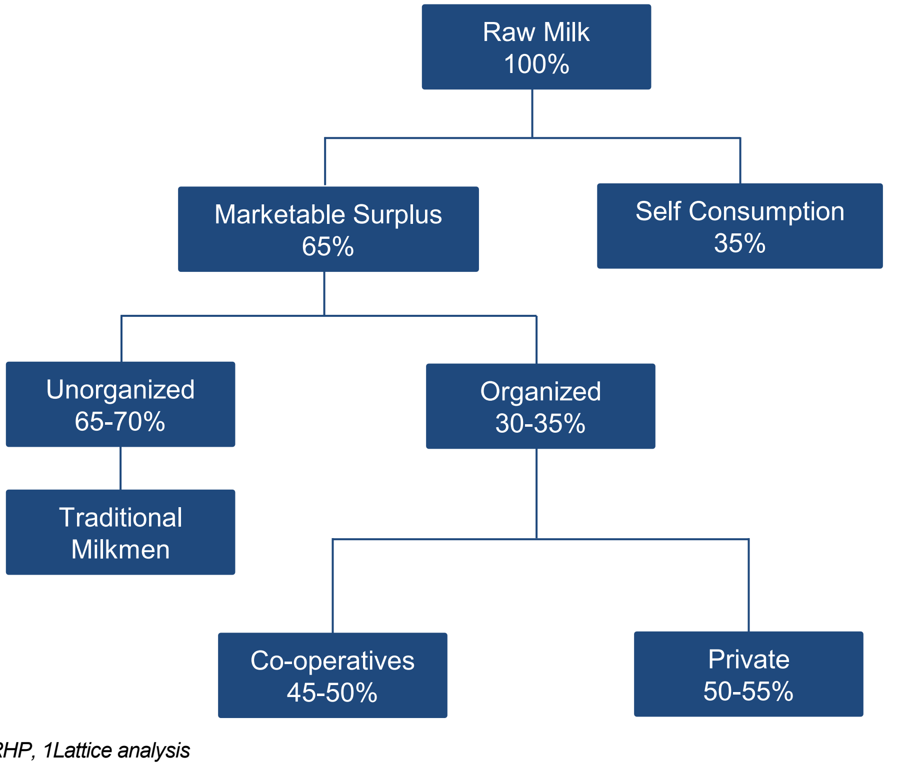
Exhibit 8 : India Dairy Market: Organized and Unorganized



Source: Milky Mist RHP, 1Lattice analysis

Structure of the Dairy Industry

The Indian raw milk market for FY26 is bifurcated into two parts. The marketable surplus accounts for ~65% of the total raw milk volume, and self-consumption, where farmers retain ~35%, makes up the rest. Of the marketable surplus, the organized sector accounts for 30-35%, which further splits into co-operatives like Amul, Nandini and Mother Dairy at 45-50%, and private player such as Milky Mist, Hatsun etc. at 50-55%. The organized dairy segment in India typically comprises co-operative societies and private entities and the majority of these are presently focused primarily on the sale of liquid milk. The unorganized sector, primarily composed of traditional milkmen, makes up 65-70% of the total volume of the marketable surplus market.

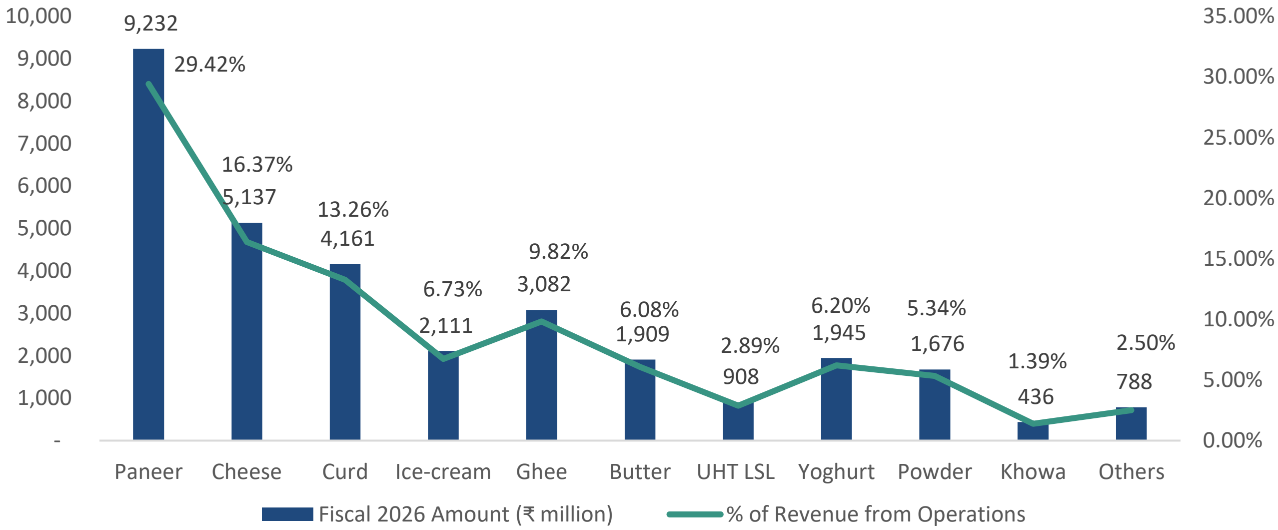


Source: Milky Mist RHP, 1Lattice analysis

Company Overview

Milky Mist is one of the fastest growing packaged food company (among companies with revenue scale of more than INR 15,000 M) in India in terms of revenue, growing at a CAGR of 31.26% over FY24 to FY26. It is a leading dairy brand in India, focusing on a diverse range of value-added dairy products, including paneer, cheese, yogurt, curd, ice cream, butter, ghee and packaged foods and other products, including frozen foods, ready-to-eat (“RTE”) and ready-to-cook (“RTC”) products, as well as chocolates. It offers products under umbrella brand ‘Milky Mist’, and sub-brand such as ‘SmartChef’, ‘Capella’, and ‘Misty Lite’, and have recently acquired brands such as ‘Briyas’ and ‘Asal’. Unlike traditional dairy businesses which focus on milk and milk commodities, Milky Mist focuses exclusively on premium, value-added dairy products rather than liquid milk, which typically has lower margins. Milky Mist focuses on value-added dairy products which has relatively higher gross margins due to premium pricing (10-30% premium pricing in comparison with it’s peers).

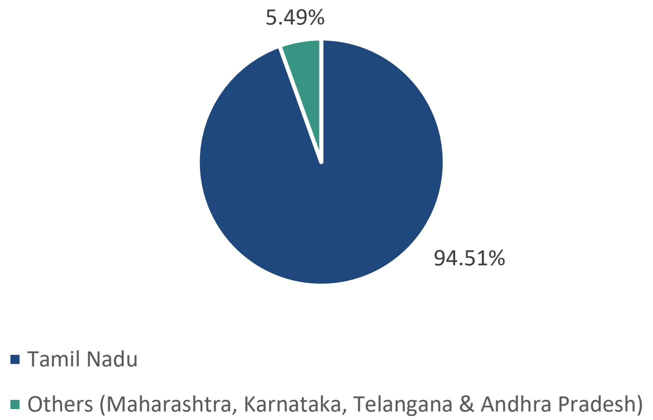
Exhibit 9: Product revenue (INR Millions)



Source: Milky Mist RHP

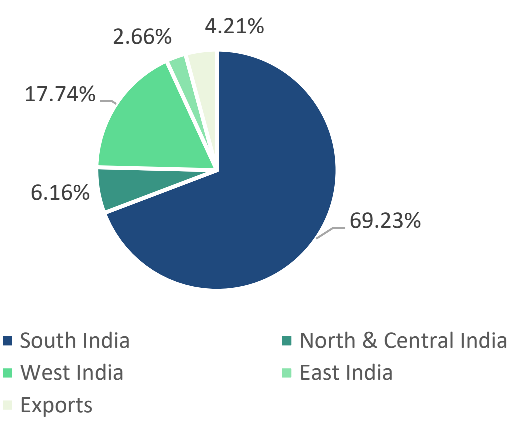
The company operates one manufacturing facility, which is strategically located in Perundurai, Erode, Tamil Nadu, which is dedicated to producing value-added dairy products, capitalizing on the region’s robust dairy farming community to ensure a consistent supply of high quality raw milk. The area within a 400 kilometres radius from Perundurai, Erode District, Tamil Nadu has one of the highest supplies of raw milk in India. They have sourcing stability due to direct procurement from farmers (74%) and using own logistics ensuring continuous milk supply, minimizing the impact of market volatility. 94% of the raw milk is sourced from Tamil Nadu and they have a capacity of processing 25 lakh litres per day which serves as a raw material for it’s products. 69% of it’s revenue comes from South India.

Exhibit 10: Raw Milk Sourcing



Source: Milky Mist RHP

Exhibit 11: Revenue by Geography



Source: Milky Mist RHP

Company Overview

Exhibit 12: Available Capacity and Utilization

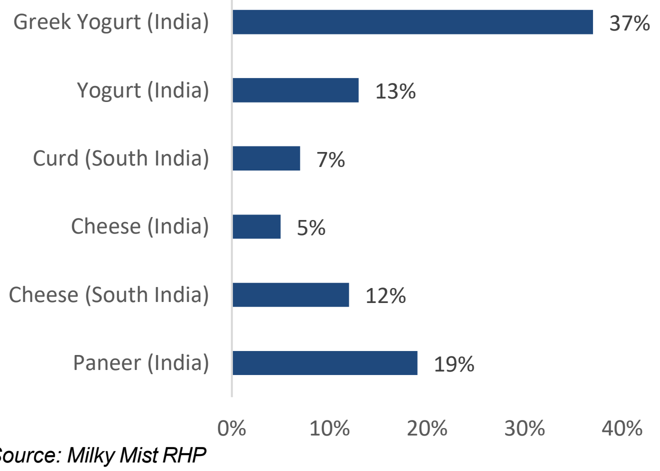
Product	Available Capacity	Utilization (%)
Paneer	47,520 MTPA	52.44%
Set + Pouch Curd	1,11,600 MTPA	29.58%
Cheese	24,831 MTPA	64.01%
Ice Cream	41,850 KLPA	29.40%
Ghee	11,160 MTPA	48.75%
Yogurt	12,276 MTPA	58.79%
Butter	13,950 MTPA	38.51%
Whey Powder	25,661 MTPA	48.93%
Chocolate	4,018 MTPA	4.43%
Tofu	1,238 MTPA	48.63%

- Historically, paneer production in India relied on manual, batch methods with no continuous technology available. Milky Mist's teams visited Europe to study soft cheese manufacturing and successfully adapted this technology to paneer processing. Today, they operate a highly automated, robotic line that performs automated continuous block cutting, weight/density measuring, and robotic pick-and-place packaging without human intervention
- To maximize operational efficiency, the company uses a single, shared machinery line to process Greek Yogurt, Cream Cheese, and Skyr
- During winter, excess milk is routed to long-shelf-life products like Cheddar Cheese (which requires 12 months of ripening). In summer, processing shifts to high-demand, quick-turnaround products like ice cream, curd, and beverages
- An agreement in February 2025, Milky Mist acquired the Tofu business assets of Briyas Foods

Milky Mist is Largest private packaged paneer brand in the organized market with a market share of approximately 19.0% in terms of the organised packaged paneer market value in Fiscal 2026. It is also the largest private packaged cheese brand in South India with a market share of approximately 12% in terms of market value in the Southern region's organised cheese segment in Fiscal 2026 and nationally ranked third among private players with a market share of approximately 5% in terms of market value in the organised packaged cheese market in Fiscal 2026 in India. It is also among the top two largest private packaged yogurt brands, with a market share of approximately 13% in terms of market value in the organized yogurt market in India in Fiscal 2026 and approximately 35% to 40% of the market share in terms of market value in the organised Greek yogurt market in India in Fiscal 2026.

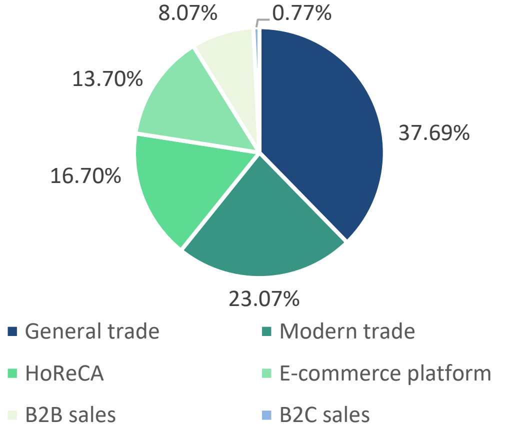
The offline channels (general trade, modern trade, HoReCa, B2C and B2B) continue to dominate in absolute terms, their combined contribution fell from 92.49% (₹16,847.57 million) in FY24 to 86.30% (₹27,084.05 million) in FY26. E-commerce and quick commerce channels represent the fastest-growing vertical. Online revenues grew more than threefold in two years, scaling from ₹1,368.52 million (7.51%) in Fiscal 2024 to ₹4,299.59 million (13.70%) in Fiscal 2026

Exhibit 13: Estimated Market Share



Source: Milky Mist RHP

Exhibit 14: Sales Channel



Source: Milky Mist RHP

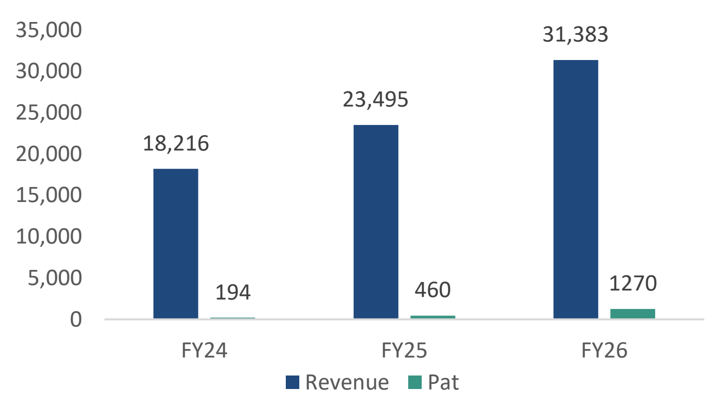
Financial Analysis

Income Statement

Revenue expanded from ₹18,216.09 million in Fiscal 2024 to ₹23,495.03 million in Fiscal 2025, and reached ₹31,383.64 million in Fiscal 2026. This represents a compound annual growth rate (CAGR) of 31.26%, driven by both price and volume growth across core product categories like paneer, cheese, curd, and ice cream. The sharp profit acceleration in Fiscal 2026 (+175.66% year-on-year) was propelled by enhanced operating leverage and cost efficiencies. Additionally, the bottom-line was significantly optimized by a tax windfall, specifically the recognition of ₹245.61 million of previously unrecognized Minimum Alternate Tax (MAT) credit from earlier years.

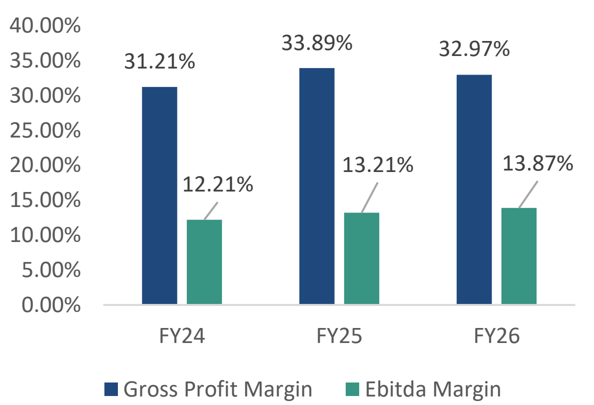
The Gross Profit Margin climbed to its highest level of 33.89% in Fiscal 2025. This expansion was primarily driven by a 0.95% drop in average raw milk procurement prices compared to Fiscal 2024, which allowed the company to keep material cost increases in check while scaling up product prices and sales volumes. The Gross Profit Margin softened slightly to 32.97% in Fiscal 2026. This marginal compression was due to increase in raw milk prices. Ebitda expansion showcases strong operational efficiency and operating leverage. The company successfully reduced employee expenses and other operating costs as a percentage of revenue, while logistics efficiencies from their owned fleet reduced transportation costs from 3.60% to 3.11% of revenue.

Exhibit 15: Revenue and PAT (INR Million)



Source: Milky Mist RHP

Exhibit 16: Gross Profit and EBITDA (in %)



Source: Milky Mist RHP

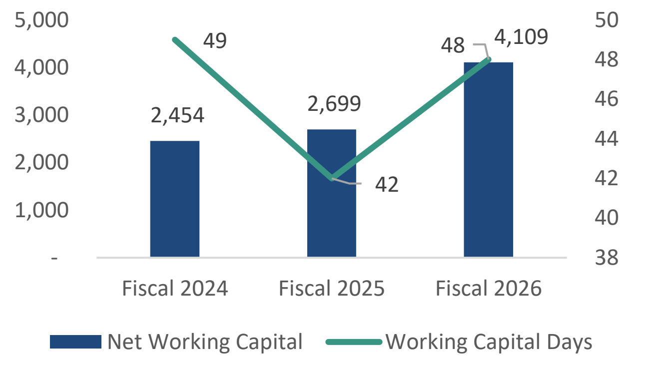
Balance Sheet

Unlike liquid-milk peers, Milky Mist's product portfolio is exclusively focused on premium, processed Value-Added Dairy Products (VADPs) like cheese, chocolates, and ice cream. Because these products require longer aging or deep temperature-controlled storage, they require a larger inventory holding. The company's RHP-reported Inventory Turnover Ratio stood at 6.94x in Fiscal 2026 (representing an average holding period of ~53 days).

This inventory buffer directly shapes Milky Mist's cash conversion cycle. The company's Net Working Capital rose to ₹4,109.80 million in Fiscal 2026. Despite this increase, the company managed to keep its Working Capital Days highly controlled at 48 days (compared to 49 days in FY24). This efficiency is driven by highly disciplined customer collections, with trade receivables turnover at 22.52x (~16 days) balanced by utilizing short-term credit from raw-milk suppliers, with trade payables turnover standing at 20.61x (~18 days)

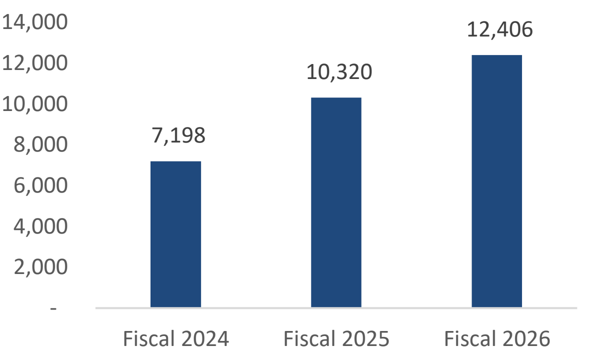
To fund both this working capital cycle and their massive physical factory expansions, Milky Mist has historically relied heavily on debt, with total borrowings climbing to ₹16,718.53 million in Fiscal 2026. This resulted in a high Debt-to-Equity Ratio of 3.61x in Fiscal 2026 (peaking at 4.20x in Fiscal 2025). However, because operating earnings expanded rapidly, the company's Net Debt-to-EBITDA ratio has steadily improved from 4.59x (FY24) to 3.81x (FY26).

Exhibit 17: Net Working Capital and Working Capital Days



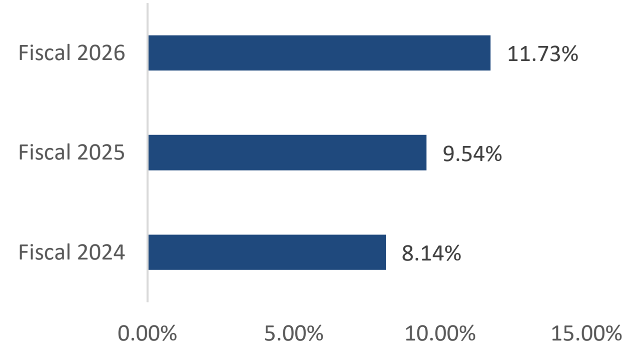
Source: Milky Mist RHP

Exhibit 18: Non-Current Borrowings (INR Million)



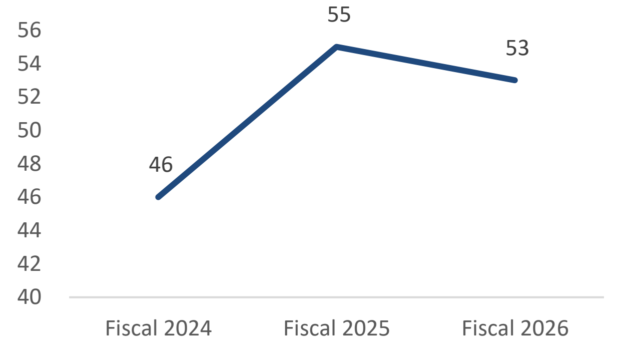
Source: Milky Mist RHP

Exhibit 19: Return on Capital Employed



Source: Milky Mist RHP

Exhibit 20: Inventory Days

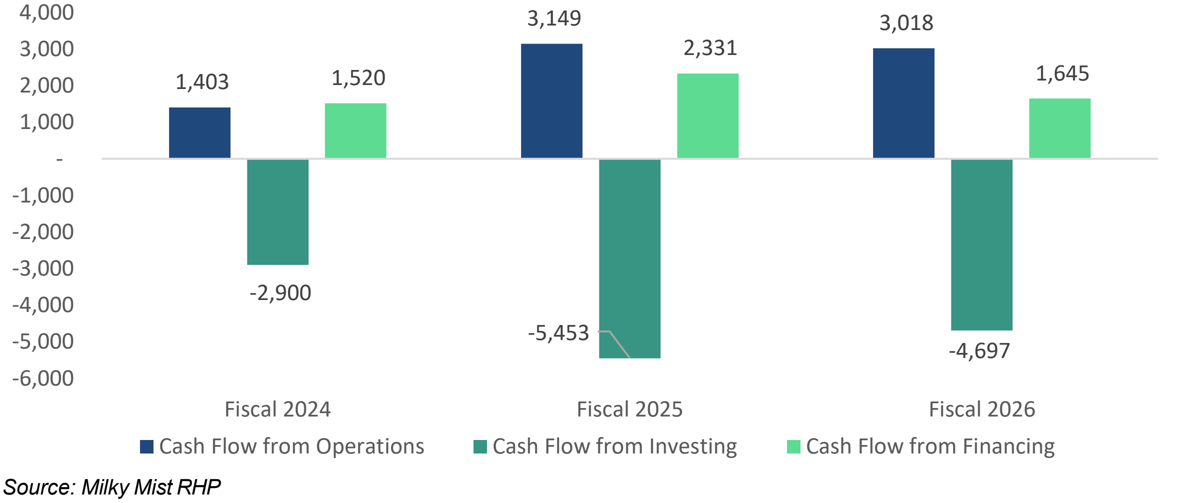


Source: Milky Mist RHP

Cash Flow Statement

Operating cash generation is highly robust, consistently outpacing Net Profit (PAT) due to high non-cash depreciation add-backs from their automated assets. The slight normalization in FY26 was primarily a function of a temporary working capital build-up (specifically inventory holding for aging cheese categories and higher credit extended to distributors). CFI is consistently and heavily negative, representing the company's aggressive capital reinvestment program to scale up and automate the Perundurai Manufacturing Facility. CFF remains positive because Milky Mist relied on bank term loans and working capital consortium facilities to bridge the investment gap between operational cash flow and physical plant Capex. By utilizing the IPO proceeds to prepay ₹4,968.61 million of outstanding debt, Milky Mist will instantly eliminate a large portion of this interest drag, allowing substantial cash to be retained within the business net interest paid rising to ₹1,288.31 million in FY26.)

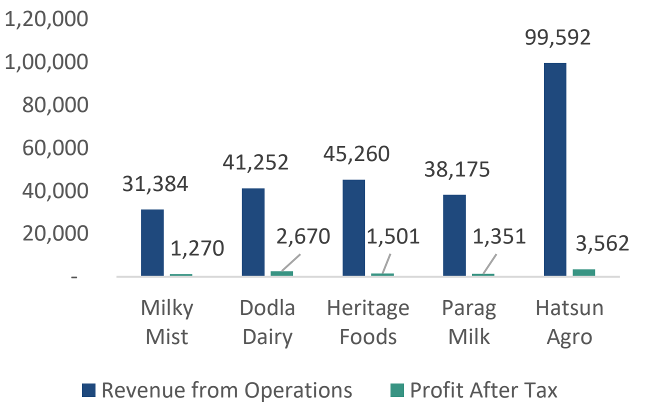
Exhibit 21: Cash Flow



Source: Milky Mist RHP

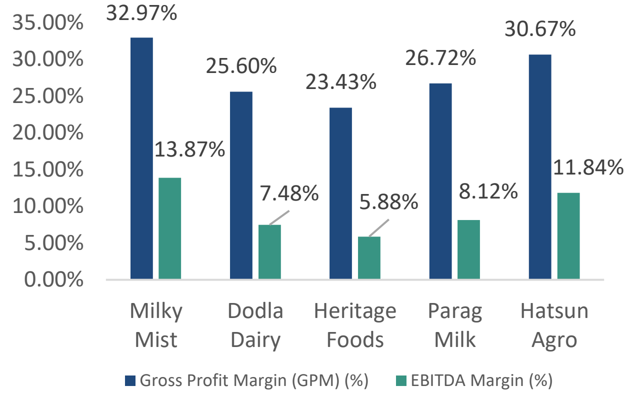
Peer Benchmarking

Exhibit 22: Revenue and PAT (INR Million)



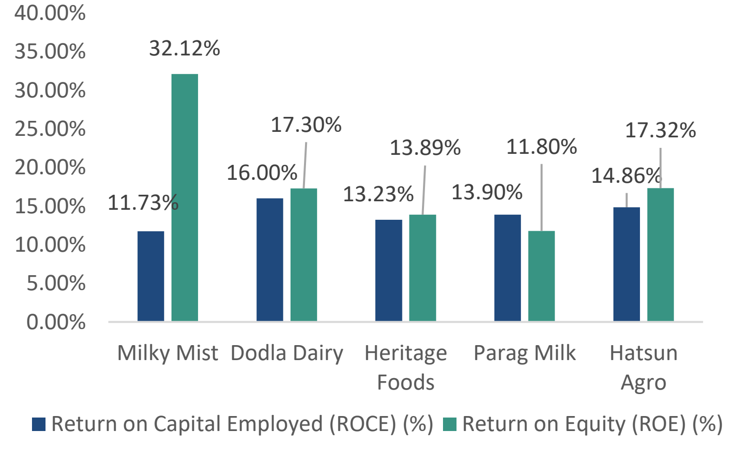
Source: Milky Mist RHP

Exhibit 23: Gross Profit Margin and Ebitda Margin



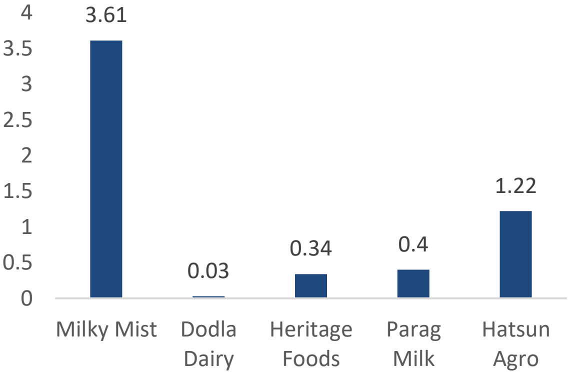
Source: Milky Mist RHP

Exhibit 24: ROCE and ROE



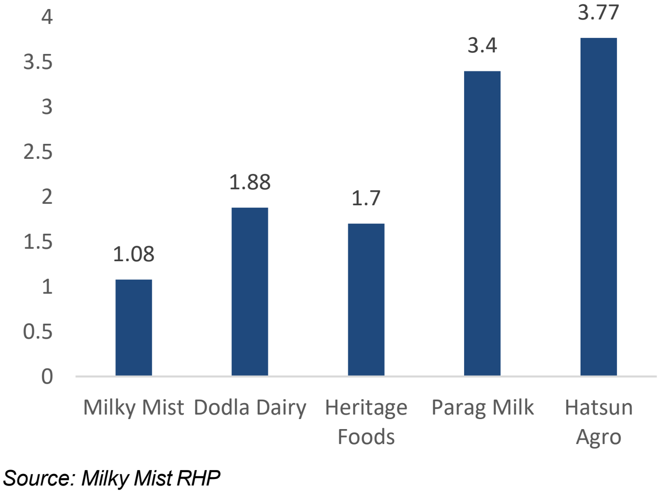
Source: Milky Mist RHP

Exhibit 25: Debt to Equity



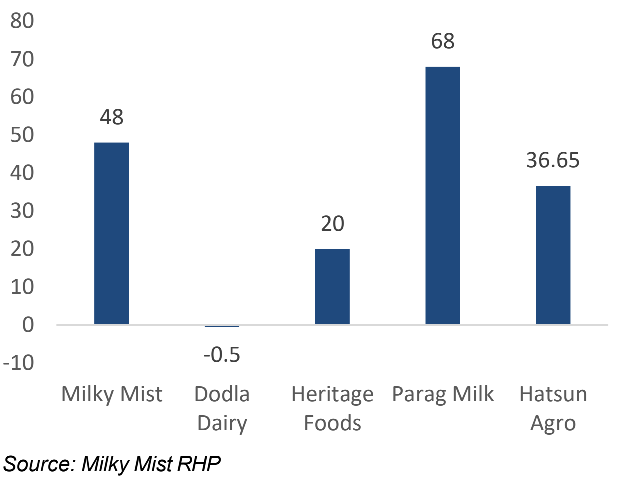
Source: Milky Mist RHP

Exhibit 26: Milk Procurement (in MLPD)



Source: Milky Mist RHP

Exhibit 27: Working Capital Days



Source: Milky Mist RHP

Growth Drivers

1. New supply channels: Quick commerce platforms are enabling faster deliveries and facilitating consumption on demand. This shift towards immediate gratification and the convenience of obtaining fresh products swiftly has led to an increase in both impulse buys and the overall consumption of dairy products.

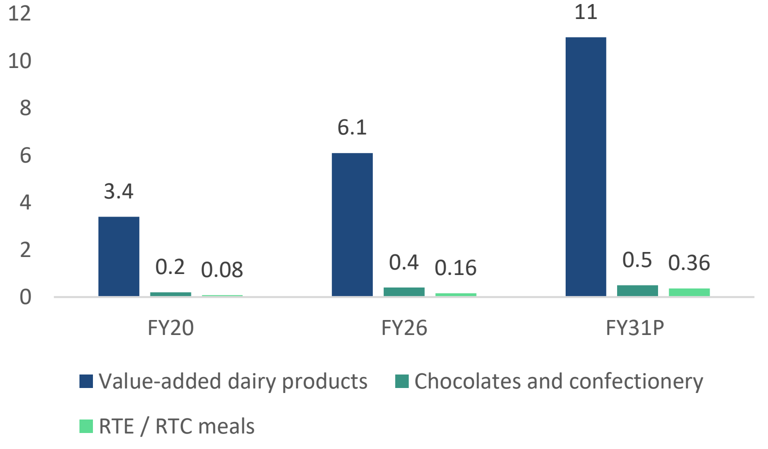
2. Protein-focused consumption: Rising awareness around protein intake is driving demand for dairy-based protein sources such as paneer, milk, curd, and yogurt, especially among fitness-conscious and young urban consumers.

3. Rising preference for packaged dairy products: Preference for packaged dairy products is driven by rising disposable incomes and increasing number of working people.

4. Urbanization & changing lifestyles: Demand for value-added dairy products (VADPs) such as paneer, cheese, curd, buttermilk, ghee, butter, and ice cream is being driven by the growth of the urban population and middle class. Urbanization, lifestyle changes & rising health consciousness are boosting the market for pro-biotic and fortified milk foods.

5. Growing Market: They key market segments are expected to grow especially the value added dairy segment. There is also an structural shift from unorganized dairy to organized dairy players.

Exhibit 28: Key Market Segments (INR Trillion)



Source: Milky Mist RHP

Risks

1. Volatility in milk procurement costs: The cost of procuring milk is inherently unstable, influenced by factors such as feed and fodder prices, which fluctuate due to weather conditions, crop yields, and market demand.

2. Milk supply seasonality: Seasonal fluctuations in milk production can lead to periods of surplus and deficit, complicating inventory and pricing strategies. This seasonal variability challenges processors to stabilize supply and demand. VADPs, processed and stored during peak times, are less affected by these swings.

3. Dominance of co-operatives: Cooperatives control a significant portion of the market, often resulting in limited competition and higher barriers for new entrants. This dominance can restrict pricing and innovation.

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